

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 435 - SB 519**

February 27, 2015

**SUMMARY OF BILL:** Requires the Department of Education to include students who receive their GED or HiSET diploma within five years of beginning high school in the calculation of their cohort graduation rate.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Potential loss of federal funding to state and local governments of unknown amounts. Otherwise, any increase in state or local expenditures for implementation is estimated to be not significant.**

Assumptions:

- Inclusion of students who receive their GED or HiSET diploma in the calculation of their cohort graduation rate is currently prohibited under federal law.
- The Department of Education will include these students in the regular four-year or extended year cohort graduation rate in the normal course of such calculations without an increase in personnel or a reduction in the Department's reversion.
- It is unknown if Tennessee would need to apply for and would receive a waiver from the federal government to include students who graduate with a GED or HiSET diploma in the regular four-year or extended year cohort graduation rate.
- To the extent federal funding is not withheld as a result of the state including students who receive a GED or HiSET diploma in the regular four-year or extended-year cohort graduation rate, the fiscal impact is not significant. To the extent federal funding is withheld as a result of including these students in the four-year or extended-year cohort graduation rate, state and local government will experience a loss in federal revenue and a like increase in state and local expenditures to continue operations formerly funded by federal revenue.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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